

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

MARY PHILLIPA SLEDGE, MARY
JANE PIDGEON SLEDGE TRUST, and
PIDGEON SLEDGE FAMILY LIMITED
PARTNERSHIP,

Plaintiffs,

v.

Case No. 2:13-cv-2578-STA-cgc

INDICO SYSTEM RESOURCES, INC. and
CLEAL WATTS, III,

Defendants.

**DECLARATION OF DARRELL PHILLIPS IN SUPPORT
OF ATTORNEYS' FEE AWARD**

I, Darrell Phillips, pursuant to the provisions of 28 U.S.C. §1746, do hereby declare:

1. I am an adult resident citizen of Shelby County, Tennessee. I have personal knowledge of the facts set forth herein and I am willing to testify to the same if called upon to do so.

2. I am a practicing attorney in Memphis, Tennessee. I have been licensed to practice law since August 2011. Since that time, I have practiced law continuously in the state of Tennessee as an associate attorney with Pietrangelo Cook PLC. During my time practicing law, I have represented numerous individuals and businesses in litigation involving contractual and business disputes.

3. Prior to become an attorney, I worked as a journalist for ten years and have a Master's Degree from the Columbia University Graduate School of Journalism, where I studied investigative journalism. During my ten years as a journalist, I learned many of the skills I was

able to use to gather and organize the large volume of materials we gathered in preparation for the trial of this matter.

4. In preparing for this dispute, the attorneys at our firm determined who would be involved and what role each attorney would play. We agreed that Anthony Pietrangelo would be primary trial counsel and would be generally responsible for oversight of the litigation and all pleadings, participation in key witness depositions and argument at critical hearings. John Cook, who is both an attorney and a certified public accountant, was primarily tasked with conducting the broad financial analysis necessary to identify Defendants' various banking maneuvers and overseas transfers of Plaintiffs' funds, initial preparation of the case, research and drafting of the original complaint, research regarding bank liability and civil forfeiture, and drafting of Plaintiffs' motions to repatriate and for summary judgment (both of which were ultimately granted). Finally, I was charged with preparing and handling both incoming and outgoing discovery, researching and preparing initial drafts of all motions, conducting a majority of background research and witness interviews, traveling for – and taking most of –the out-of-town depositions, and appearing in court to argue many of the motions at hearing (including the motion to repatriate).

5. From May 2013 through January 2015, our firm billed Plaintiffs at the following rates.

- a. Anthony Pietrangelo billed \$315 per hour.
- b. John Cook billed \$290 per hour.
- c. I billed \$180 per hour.

6. In January 2015, in light of the growing volume of necessary discovery and motion practice, Pietrangelo Cook PLC negotiated new engagement terms with Plaintiffs.

7. Accordingly, from January 2016 to present, Anthony Pietrangelo and John Cook dropped their hourly rate to \$145 per hour and I dropped my rate to \$90 per hour. In exchange for these reduced rates, Plaintiffs agreed in writing to give Pietrangelo Cook PLC a sixteen percent (16%) interest in any ultimate recovery.

8. From the advent of the litigation, Defendants engaged in dilatory and obfuscatory conduct that caused Plaintiffs to work significantly harder to conduct discovery and gather information.

9. For example, Defendant Watts avoided service for three months, filed a motion to dismiss (which was not adjudicated for a year and which delayed the start of discovery), caused the withdrawal of two different law firms at critical stages of the litigation, produced untimely and deficient discovery, skipped his duly noticed deposition, required two sanctions motions, violated two additional court orders (Dkt. Nos. 126 and 145) compelling certain conduct, and proceeded to participate on behalf of the corporate defendant despite express admonishment from this Court.

10. I have prepared a spreadsheet summarizing each month's billing to our clients, showing the number of hours billed, the amount billed and the amount in Westlaw and related research expenses for each aspect of the case. Although voluminous, I am prepared to make available each individual bill upon request of the Court.

11. On February, 29, 2016, this Court granted summary judgment to the Plaintiffs on each of their causes of action, including their claim for willful violation of the Tennessee Consumer Protection Act. The Court further awarded Plaintiffs a reasonable attorneys' fee. This Declaration is being filed in support of Plaintiffs' motion for same.

12. I have reviewed the billing records of the Firm to the Plaintiffs since we

commenced the captioned lawsuit. Based upon this review, the total fees sought in the Motion are \$215,580.83.

13. Based on my experience and the experience of my colleagues, the fees billed to Plaintiffs were reasonable and necessary in light of the nature of the Complaint and the relief sought. The rates charged by the Members, Associates, and Paralegal/Law Clerks of the Firm were reasonable and the amount customarily charged by the Firm for their work.

I certify under penalty of perjury that the foregoing is true and correct.

Executed this 10th day of March, 2016.

/s/ Darrell N. Phillips
Darrell N. Phillips

Approx Bill Date for prior month	Aspect of the Case pursuant to Local Rule 54.1(1)	Hours total	Atty fee total	Expenses	Total bill for month
6/1/2013	Pre-suit research, meeting w/ Client, document review and initial drafting of Complaint.	15.20	\$4,359.25	\$241.80	\$4,601.05
7/1/2013	Continued drafting of Complaint; Substantial initial research regarding background of Defendants	5.80	\$1,461.25	\$153.32	\$1,614.57
8/1/2013	Review and research integrity of correspondence and articles from Defendants re: ghana issues; Meetings w/ Client; Finalizing and filing of Complaint; Communication with Dallas process servers. Initial preparation of mandatory disclosures; Meetings w/ Client; Review and categorize audio recordings provided by Client; Preparation of preparation/non-spoilation letters to various providers with possession of relevant info; Calls w/ process server re: Defendants evasion of service; Research re: service on corporation, evasion of process, pre-judgment attachment of bank accounts.	19.40	\$4,974.00	\$702.24	\$5,676.24
9/1/2013	Calls w/ Texas process servers regarding continued evasion by Defendants; Meetings w/ and engagement of private investigator to locate Defendants' assets; Research regarding engagement of private investigators by counsel.	37.80	\$7,817.00	\$1,075.83	\$8,892.83
10/1/2013	Research re: extension of privilege to investigator; Continued research regarding evasion of service; Calls w/ Texas process servers regarding evasion; Research regarding personal jurisdiction over non-resident Defendant; Continued research and investigation regarding affiliates of Defendants around the United States and Canada.	12.30	\$2,654.00	\$53.00	\$2,707.00
11/1/2013	Research and review of documents necessary to support personal jurisdiction over non-resident Defendants; Communication with "alleged" authors of material provided by Defendants to Plaintiffs; Calls w/ Journalists in Ghana regarding "alleged" news articles; Meetings with client regarding litigation strategy; Meeting with clinical psychologist to discuss profile of Defendant Cleal Watts; Calls w/ schools Defendant Watts claims to have attended; Calls with opposing counsel.	15.05	\$4,163.25	\$262.96	\$4,426.21
12/1/2013	Background research regarding other investors; Research regarding legal authority supporting opposition to Defendants' motion to dismiss on jurisdictional grounds; Telephone calls w/ witnesses and other investors; Significant research and preparation/drafting of response in opposition to Defendants' motion to dismiss; Meetings with client regarding Defendants' motion to dismiss; Review of and research regarding authority cited in Defendants' reply to response in opposition to motion to dismiss; Research and drafting of sur-reply; Drafting of motion to file sur-reply; Preparation of exhibits to same; Continued background research and calls to other potential victims.	32.35	\$7,068.75	\$422.91	\$7,491.66
1/1/2014	Background research regarding individuals identified in Defendants' initial disclosures; Calls w/ Client regarding motion and litigation strategy; Research regarding request for scheduling conference. Calls w/ potential witnesses, former friends and acquaintances of Defendant Watts; Meetings and calls w/ private investigator; Review and follow-up on investigator reports; Research regarding Celene Dutzman and Sheku Kondeh.	62.55	\$16,753.00	\$1,666.81	\$18,419.81
2/1/2014	Research and calls to acquaintances and family members of Celene Dutzman; Research regarding bank liability; Research and develop background information regarding other witnesses and potential co-conspirators in the United States and in Africa; Continued communication with myriad prior victims and research about victim and witness backgrounds.	28.85	\$7,499.50	\$377.23	\$7,876.73
3/1/2014	Lengthy calls w/ individuals in London and Sierra Leone regarding Sheku Kondeh and Patrick Koroma; Calls with private investigators; Research and drafting of motion to set scheduling order; Calls w/ opposing counsel and meetings with clients to discuss scheduling issues.	6.95	\$1,875.50	\$50.75	\$1,926.25
4/1/2014	Calls w/ London individuals regarding Sheku Kondeh; Calls w/ private investigators in Memphis and Dallas; Research regarding adding international co-conspirators as Defendants; Research and preparation of initial subpoenas to various financial institutions; Research regarding recklessness standard in fraud cases; Research regarding bank liability for aiding and abetting; Research regarding Commerzbank AG and Guaranty Trust National Bank; Calls with potential witnesses.	11.80	\$2,908.25	\$18.87	\$2,927.12
5/1/2014	Review materials from Dallas private investigator; Correspondent w/ Commerzbank regarding subject foreign account; Conference call with judge regarding potential conflict of interest; Meeting w/ client re: judge recusal and effect on litigation; Research separate action against potential New Jersey based individual.	36.40	\$7,982.00	\$420.43	\$8,402.43
6/1/2014	Meeting with Client; Telephone call w/ U.S. Attorney; Finalizing and filing motion to set scheduling conference; Review materials from Dallas private investigator; Draft memorandum to U.S. Attorney regarding asset forfeiture.	24.50	\$4,795.00	\$113.66	\$4,908.66
7/2/2014	Calls with London based bank fraud specialist; Call w/ Private Investigator.	39.55	\$8,240.00	\$195.66	\$8,435.66
8/1/2014	Calls w/ counsel for Rosenthal Collins; Conference w/ Client regarding investigation of Sheku Kondeh. Preparation for evidentiary hearing on jurisdictional question; Prepare client for evidentiary hearing and organize and prepare exhibits for same; Calls w/ opposing counsel regarding same; Attend and argue at evidentiary hearing.	13.30	\$2,779.00	\$8.60	\$2,787.60
9/1/2014	Review and categorization of voicemails left by Defendant Watts; Conference with client regarding motion to dismiss; Review court's order denying motion to dismiss and conference with client regarding discovery strategy; Initial identification of financial institutions for subpoena purposes.	12.75	\$3,417.50	\$7.01	\$3,424.51
10/1/2014	Continued factual research regarding Commerzbank and role of inter banks; Research regarding subpoenas to financial institutions and preparation of same, as well as exhibits to subpoenas to financial institutions; Preparation of proposed scheduling order; Conferences with opposing counsel; Review Defendants' Answer to Complaint; Appearance for Court-ordered scheduling conference; Identification of court reporters in Illinois, Arizona, Delaware and Indiana to receive responsive materials from banks; Preparation of various Notices of Intent to Serve Subpoenas Duces Tecum; Preparation and service of initial disclosures.	2.80	\$581.00	\$0.00	\$0.00
11/1/2014	Calls w/ Wells Fargo regarding subpoena; Review of Watts initial disclosures and research regarding individuals identified therein; Preparation of deposition subpoenas; Factual research regarding Chief Alimany Kamara; Research regarding proof of fictitious person; Research regarding hearsay exceptions for overseas witnesses; Preparation of subpoenas duces Tecum to Yahoo! And Hotmail; Calls w/ opposing counsel.	2.90	\$303.00	\$0.40	\$303.40
12/1/2014	Calls w/ Bank of America regarding subpoenas; Preparation of Celene Dutzman deposition outline; Communications with JP Chase regarding subpoena; Review substantial production from Rosenthal Collins Group; Initial review of substantial production from Bank of America; Correspondence with Bank of America regarding deficiencies; Communications w/ Rackspace regarding subpoenaed materials; Research regarding potential actions against banks; Research regarding money laundering in Sierra Leone; Research regarding Guaranty Trust Bank; Review of continued production from Bank of America and new production from BBVA Compass Bank.	38.40	\$9,959.00	\$96.50	\$10,055.50
1/1/2015		16.70	\$3,491.00	\$93.63	\$3,585.13
2/1/2015		33.25	\$3,814.75	\$19.12	\$3,833.87
3/1/2015		20.95	\$2,212.75	\$103.37	\$2,316.12
4/1/2015		28.70	\$3,050.50	\$392.91	\$3,443.41

5/1/2015	Preparing deposition subpoenas to Marie Watts, Lawrence Watts, Debra Koper; Drafting cover letters to same; Continued review of Watts voicemails; Research regarding pre-judgment attachment of bank funds; Preparing and filing deposition notices; Initial draft of motion to compel consent to Rackspace.com (regarding Defendants' emails); Meeting with Client regarding impact of withdrawal of Baker Donelson; Calls and correspondence with opposing counsel regarding withdrawal; Background research on other transferees of Defendants' funds; Continued review of BBVA Compass materials.	33.50	\$3,378.00	\$767.56	\$4,145.56
6/1/2015	Call with Richard Carey; Review Defendants' Motion for Partial Judgment on the Pleadings; Research and prepare response in opposition to same; Schedule Dallas depositions of various witnesses; Conference with opposing counsel regarding motion to compel (Rackspace); Research and drafting of motion to compel; Research regarding jurisdiction of federal court to order disclosure of Sierra Leone bank information; Preparation of Richard Carey deposition outline; Preparation of additional subpoenas duces Tecum; Research regarding admissibility of expert testimony regarding fraudulent scheme; Preparation of time line; Preparation of Cleal Watts deposition; Conference with Client regarding possibility of default judgment; Continued research regarding civil forfeiture in the Sixth Circuit; Preparation of deposition outline for Marie Watts.	54.95	\$6,191.25	\$427.38	\$6,618.63
7/1/2015	Preparation of deposition exhibits for multiple Dallas depositions; Meeting with Client to discuss depositions and litigations strategy; Preparation of Richard Carey and Marie Watts bank documents for use at depositions; Preparation of financial analysis based on bank records; Preparation of Lawrence Watts deposition; Travel to, appearance for and taking of three days of depositions in Dallas of Lawrence Watts, Mike Byrd, Richard Carey, Debra Koper; Appear for Cleal Watts and Marie Watts depositions (both did not show); Prepare and file notices of failure to appear; Preparation of subpoenas to Sea West Coast Guard for Mike Byrd Account; Subpoenas to Ignatius Piazza, Chase and Wells Fargo dealing with Mike Byrd; Prepare motion to compel deposition of Cleal Watts in Memphis; Preparation of new subpoenas to Celene Dutzman; Research regarding Dave Granati; Identification and reservation of court reporters in New Jersey and Pittsburgh for depositions of Celene Dutzman and Jim Wagner.	125.00	\$14,312.50	\$2,643.79	\$16,956.29
8/1/2015	Calls with counsel for Mike Byrd regarding motion to seal Byrd's bank records; Calls with opposing counsel regarding depositions; Research regarding imputation of notice from attorney to client; Draft letter to Rackspace regarding Watts' emails; Continued preparation of depositions of Jim Wagner and Celene Dutzman; Preparation of exhibits; Preparation of subpoena to Mid-America FCU; Letters to C. Dutzman regarding avoiding depositions; Subpoena to Comm One Federal Credit Union; Emails with David Granati regarding Celene Dutzman; Background research regarding Jim Wagner; Travel to Pittsburgh for Dutzman deposition; Appearance at Dutzman deposition (no-show); Travel to New Jersey for Jim Wagner deposition; Appearance and taking of Jim Wagner deposition; Review draft protective order from counsel for Mike Byrd; Preparation of deposition subpoenas for Milan Watts and Scott Wilmouth; Draft new deposition notice for Cleal Watts; Calls w/ Wells Fargo regarding Byrd accounts and consent protective order; Draft new subpoena to Rackspace; Preparation of new deficiency letter to opposing counsel; Calls with opposing counsel regarding opposing counsel's threatened motion to stay; Conference calls with Expert Tom Vastrick regarding forged documents; Preparation of response in opposition to motion to stay.	87.80	\$8,907.90	\$3,424.19	\$12,332.09
9/1/2015	Preparation of John Chu Deposition; Preparation of Marie Watts deposition; Calls with Steve Malouf regarding Marie Watts deposition terms; Calls with Pittsburgh private investigator regarding Celene Dutzman; Calls and emails with opposing counsel regarding protective order; Continued research regarding civil forfeiture and interplay with criminal action; Preparation of exhibits for John Chu deposition; Travel to Dallas for John Chu, Marie Watts, and Scott Wilmouth depositions; Taking of same; Preparation for newly scheduled Watts deposition; Meeting with Client regarding pending Watts deposition; Appearance of and taking of Watts deposition; Preparation of motion for sanctions; Preparation of memorandum to U.S. Attorney regarding civil forfeiture.	107.05	\$11,937.25	\$1,188.66	\$13,125.91
10/1/2015	Calls with Dallas private investigator; Calls w/ opposing counsel re: Watts deposition; Calls with T. Vastrick regarding expert opinion; Review of Chase supplemental production; Calls with Rackspace regarding production issues; Calls with opposing counsel to coordinate Rackspace production; Calls with Client regarding deposition and strategy; Initial review of Watts' email production from opposing counsel; Call with Lisa Bartlett; Prepare subpoena to Lisa Bartlett.	33.20	\$3,528.85	\$368.69	\$3,897.54
11/1/2015	Calls and emails with opposing counsel regarding expert (Vastrick) deposition; Calls with Florida process server regarding Lisa Bartlett service; Drafting of motion/memo to compel; Continued review of bulk Rackspace production; Preparation of new subpoena to Bank of America; Preparation of new subpoena to Moneygram; Calls w/ Darrow Dickey in California; Preparation of subpoena to Ed Pritzkau, Malinda Hamilton; Emails with Tim Williams and Sergio Melconian; Preparation for Lisa Bartlett deposition; Taking of Lisa Bartlett deposition; Research action against Celene Dutzman; Call with Paul Nelson regarding his investment with Defendants; Research regarding promissory fraud for summary judgment motion; Meeting with Client to discuss summary judgment strategy.	52.15	\$5,251.75	\$922.42	\$6,174.17
12/1/2015	Preparation of supplementation to initial disclosures; Research regarding Watts' associates Allan McBee, Bo Bowman, Ed Amaral; Call with Bo Bowman; Research regarding Watts' associate Kevin Mellot; Call with Kevin Mellot; Background research regarding Watts' associates Cody Stoneking, Steve Kanter, Carol Fies; Preparation for and taking of Ed Pritzkau deposition; Calls with Watts associate Steve Kantor; Call with Malinda Hamilton regarding deposition; Preparation of exhibits for Darrow Dickey deposition; Preparation of Canda Byrd deposition outline; Taking depositions of Darrow Dickey and Ed Pritzkau; Preparation of client for Sledge deposition; Research and discuss Watts spoliation issues; Deficiency letter to Bank of America; Call with Watts associate Gina Brandenburg; Deposition of Canda Byrd; Review and prepare various consent judgments and correspond with opposing counsel regarding same; Calls with Peter Belsky; Review of Belsky Declaration; Review of Willis and Melconian declarations.	87.30	\$9,138.50	\$1,279.71	\$10,418.21

1/1/2015	Continued calls with opposing counsel regarding consent judgment; Review materials provided from opposing counsel regarding criminal investigation; Calls with Watts associates regarding criminal investigation; Research regarding admissibility of civil consent judgment in subsequent criminal proceeding; Drafting and preparation of summary judgment memorandum and statement of undisputed facts; Research regarding effect of offer of judgment; Preparation of motion for leave to file additional pages to summary judgment motion; Research regarding standards for proving fraud at summary judgment; Review opposing counsel's motion to withdraw and calls with opposing counsel regarding same; Conference with Court regarding opposing counsel's withdrawal.	59.45	\$6,156.25	\$1,369.52	\$7,525.77
2/1/2015	Preparation of response in opposition to withdrawal of Watts' counsel; Finalization of summary judgment motion and filing of same; Appearance at hearing on withdrawal of Watts counsel; Drafting of motion to repatriate funds and for preliminary injunction; Research regarding suspicious activity alerts by banks; Correspondence with GT Bank regarding their internal investigation; Research regarding admissibility of hearsay at injunction hearing.	86.35	\$10,133.75	\$1,224.95	\$11,358.70
3/1/2016	Meet with Client and prepare exhibits and argument for injunction hearing; Appearance at same; Communication with various financial institutions regarding injunction order; Review materials from GT bank.	44.05	\$4,704.25	\$267.95	\$4,972.20
					\$215,580.83